

## Fiscal Estimate - 2009 Session

☐ Original
 ☐ Updated
 ☐ Corrected
 ☒ Supplemental

<b>LRB Number</b> <b>09a1218/1</b>	<b>Introduction Number</b> <b>AA1-AB512</b>	
<b>Description</b> No "relating to" information exists for this document		
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> No State Fiscal Effect  <input checked="" type="checkbox"/> Indeterminate                      <input type="checkbox"/> Increase Existing Appropriations                      <input type="checkbox"/> Decrease Existing Appropriations                      <input type="checkbox"/> Create New Appropriations                 </div> <div style="width: 30%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                 </div> <div style="width: 35%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget                      <input type="checkbox"/> Yes                      <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs                 </div> </div> <b>Local:</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> No Local Government Costs  <input checked="" type="checkbox"/> Indeterminate                      1. <input type="checkbox"/> Increase Costs                      3. <input type="checkbox"/> Increase Revenue                          <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      2. <input type="checkbox"/> Decrease Costs                      4. <input type="checkbox"/> Decrease Revenue                          <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 65%;"> <b>5.Types of Local Government Units Affected</b>  <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <input type="checkbox"/> Towns  <input type="checkbox"/> Counties  <input type="checkbox"/> School Districts                         </div> <div style="width: 30%;"> <input type="checkbox"/> Village  <input type="checkbox"/> Others  <input type="checkbox"/> WTCS Districts                         </div> <div style="width: 35%;"> <input type="checkbox"/> Cities                         </div> </div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div> <b>Fund Sources Affected</b>  <input type="checkbox"/> GPR   <input type="checkbox"/> FED   <input type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input type="checkbox"/> SEG   <input type="checkbox"/> SEGS                     </div> <div> <b>Affected Ch. 20 Appropriations</b> </div> </div>		
<b>Agency/Prepared By</b>  DHS/ Ellen Hadidian (608) 266-8155	<b>Authorized Signature</b>  Andy Forsaith (608) 266-7684	<b>Date</b>  3/19/2010

## Fiscal Estimate Narratives

DHS 3/19/2010

LRB Number	09a1218/1	Introduction Number	AA1-AB512	Estimate Type	Supplemental
<b>Description</b> No "relating to" information exists for this document					

### Assumptions Used in Arriving at Fiscal Estimate

#### Original Bill

AB 512 removes the specified minimum amounts of coverage that a group health insurance policy, including policies that cover state employees, must provide for the treatment of mental health and substance abuse (MH/AODA) conditions but retains the requirements with respect to providing coverage. The bill also requires (1) coverage of at least one annual screening for MH/AODA conditions, provided the health plan covers both MH/AODA conditions and at least one annual physical examination; (2) coverage, for females, of at least one screening during pregnancy and one screening within six months of pregnancy for post-partum depression.

In addition, the bill specifies that a plan's deductibles, co-payments, and other treatment limitations may not be more restrictive than treatment limitations that apply to other types of coverage in the plan. The bill also specifies that expenses incurred for the treatment of MH/AODA problems be included in any health care plan's deductible amount or limits. Finally, the bill provides that a health care plan must make available to participants the plan's criteria for determining medical necessity for coverage of a treatment and the reason for any denial of treatment.

#### Medicaid – BadgerCare Plus Standard Plan

In Wisconsin, the Medical Assistance (MA) program for families is known as BadgerCare Plus. Enrollees in BadgerCare Plus are in either the Standard Plan, which includes mental health services, or the Benchmark Plan, which has benefits that are more limited than those provided in the Standard Plan. Approximately 90% of BadgerCare Plus recipients are in the Standard Plan.

Currently mental health expenditures make up about 2% of total MA expenditures under the Standard Plan. There are no payment limits on the amount of MH/AODA services provided to Standard Plan recipients.

Currently, MA covers assessments for MH/AODA problems and treatment for depression, including post-partum depression. As a result, the requirement to offer these assessments is not likely to increase MA costs.

#### BadgerCare Plus – Benchmark Plan

Under s.49.471 (11) (k) of the statutes, MH/AODA services provided under the Benchmark Plan have coverage limits that are the same as those provided under the state employee health plan. Recent federal law changes will affect group health insurance plans for groups of 50 or more, a category that includes the state employee health plan. Federal law requires that the financial requirements and treatment limitations of any MH/AODA benefits offered by these plans can be no more restrictive than those requirements and limitations on the plan's medical or surgical benefits.

ETF has made changes to the state health plan as required by federal law so current state law requires the Department to make changes to the Benchmark Plan to bring it into compliance with the new state employee health plan provisions regarding MH/AODA benefits. The provisions of AB 512 will not affect the Benchmark Plan as a result.

#### Badger Care Plus – Core Plan

Under a waiver from the federal government, the Department administers the BadgerCare Plus/Core Plan program. BadgerCare Plus/Core Plan provides access to basic health care services to uninsured adults with incomes below 200% of poverty who do not have minor children living at home. One of the conditions of the

waiver is that it be cost neutral. Currently no mental health services are provided to Core Plan participants. The bill's mandate does not extend to the Core Plan program so the bill would not require any changes to the program. Even if the bill did apply to the Core Plan and the Plan were expanded to include mental health services and costs increased, since program expenditures cannot exceed the limits set by the budget neutrality agreement, the Department would have to reduce other services or the Core Plan caseload. At current enrollment levels, it is estimated that it would cost in excess of \$10 million AF to add mental health benefits to the Core Plan. This bill as drafted is not likely to affect the Core Plan program.

### Community Aids

Community Aids are state and federal funds distributed by DHS to counties on a calendar year basis to support community social, mental health, developmental disabilities, and substance abuse services. The majority of community aids funds are allocated to counties through the basic county allocation. Counties have discretion in determining which types of services will be provided with funds through the basic county allocation. In addition, Community Aids provides five categorical allocations that must be expended on specified services. Funding provided from the Substance Abuse Prevention and Treatment (SAPT) block grant is distributed through community aids as a categorical allocation. Counties are required to spend these funds on eligible substance abuse services, including primary prevention and early intervention, detoxification, counseling, investigations and assessments, non-hospital inpatient treatment, and community-based alternative living arrangements. Similarly, DHS allocates a categorical Community Aids allocation for community health services, funded from the federal Community Mental Health (CMH) Block Grant. While counties are required to provide matching funds of 9.89% for funding from the basic county allocation, no match is required for the SAPT block grant or CMH block grant categorical allocation. If private payers, through insurance coverage, are required to provide increased coverage, some savings to counties may result, but it is not possible to calculate the magnitude of the possible savings. However, the Department anticipates that any savings realized would be used by the county to provide services to individuals still on waiting lists for social services.

### MHIs

The Department administers two mental health institutes (MHIs). The Department sets rates, which are paid by counties for civilly-committed clients, based on the actual costs of providing services (including costs incurred for prescription drugs and diagnostic testing) and the availability of third-party revenues such as Medicare and Medicaid. If private payers, through insurance coverage, are required to provide increased coverage, it may be possible to realize savings for counties. Likewise, state costs for forensic patients at the MHIs could decrease if private payers through insurance coverage are required to provide increased coverage. It is not possible to calculate the magnitude of the possible savings to the counties or the state.

### Amendment 1

Amendment 1 to AB 512 removes the requirement that a health plan provide coverage of at least one annual screening for MH/AODA conditions if it provides an annual physical exam. Amendment 1 also includes a provision that allows a group health benefit plan, under certain conditions (cost increases beyond a certain percent above the previous year's costs), to exempt itself from the requirement that a plan's deductibles, co-payments, and other treatment limitations may not be more restrictive than treatment limitations that apply to other types of coverage in the plan. Finally, Amendment 1 adds a provision that allows employers of fewer than 10 employees to be exempt from the requirements regarding coverage of MH/AODA conditions that apply to the health care plans of other employers, with the exception of autism coverage.

The provisions of Amendment 1 to SB 512 will not have a fiscal effect on the Department.

### Long-Range Fiscal Implications

## Fiscal Estimate - 2009 Session

☐ Original
 ☐ Updated
 ☐ Corrected
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<b>Agency/Prepared By</b>  DOC/ Dawn Woeshnick (608) 240-5417	<b>Authorized Signature</b>  Robert Margolies (608) 240-5056	<b>Date</b>  2/5/2010

**Fiscal Estimate Narratives**  
**DOC 2/5/2010**

LRB Number <b>09a1218/1</b>	Introduction Number <b>AA1-AB512</b>	Estimate Type <b>Supplemental</b>
<b>Description</b> No "relating to" information exists for this document		

**Assumptions Used in Arriving at Fiscal Estimate**

This bill makes several modifications to 2009 Assembly Bill 512 (AB512). AB512 makes a number of changes to health insurance coverage of nervous and mental health disorders, alcoholism, and other drug abuse problems.

While the fiscal estimate the Department prepared for the original bill did state that there could be some local costs for counties who pursue payments from health insurance providers, the modifications included in this amendment do not result in additional fiscal impact on counties. The modification also has no fiscal impact on the Department of Corrections.

**Long-Range Fiscal Implications**

## Fiscal Estimate - 2009 Session

☐ Original
 ☐ Updated
 ☐ Corrected
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☐ No Local Government Costs  
☒ Indeterminate  

1. ☐ Increase Costs  
☐ Permissive ☐ Mandatory  
 2. ☐ Decrease Costs  
☐ Permissive ☐ Mandatory

3. ☐ Increase Revenue  
☐ Permissive ☐ Mandatory  
 4. ☐ Decrease Revenue  
☐ Permissive ☐ Mandatory

5. Types of Local Government Units Affected  

☐ Towns  
☐ Counties  
☐ School Districts

☐ Village  
☐ Others  
☐ WTCS Districts

☐ Cities

## Fiscal Estimate Narratives

ETF 1/20/2010

LRB Number	09a1218/1	Introduction Number	AA1-AB512	Estimate Type	Supplemental
<b>Description</b> No "relating to" information exists for this document					

### Assumptions Used in Arriving at Fiscal Estimate

This bill removes the minimum statutory requirements for in-patient, out-patient and transitional care and establishes requirements for annual mental health screenings and makes coverage under the group insurance board's health insurance program subject to S.632.89, stats. This bill will have fiscal impact (as described in the fiscal estimate to 2009 AB 512 submitted on 10/27/09) to the extent that it results in increased costs for state and local health insurance plans administered by the Group Insurance Board.

Assembly amendment #1 to this bill is not expected to have any material effect on health insurance premium costs. According to the Group Insurance Board's consulting actuary, it does not appear that this bill as modified by Assembly amendment #1 provides different requirements than the Federal Mental Health Parity with which the state group health insurance program already complying for 2010.

### Long-Range Fiscal Implications

## Fiscal Estimate - 2009 Session

☐ Original
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<b>Agency/Prepared By</b> OCI/ Jim Guidry (608) 264-6239	<b>Authorized Signature</b> Sean Dilweg (608) 266-3585
<b>Date</b> 1/28/2010	

## Fiscal Estimate Narratives

OCI 1/28/2010

LRB Number	09a1218/1	Introduction Number	AA1-AB512	Estimate Type	Supplemental
<b>Description</b> No "relating to" information exists for this document					

### Assumptions Used in Arriving at Fiscal Estimate

Assembly Amendment 1 to Assembly Bill 512 would include an exemption for employers to the requirements of s. 632.89(3) Wis. Stat. (in AB 512) if a health plan experiences a total cost increase of two percent in the first year of the plan, and one percent in any plan year after the first plan year in which the requirements apply. The cost increases are to be determined by a qualified actuary. The actuary's determination and documentation are to be filed with OCI and OCI is required to make the documents available to the public

AA1 to AB 512 requires a group health plan and a self-insured health plan to notify the commissioner if it elects to be exempt from the requirements of s. 632.89 (3) Wis. Stat. and provides the Commissioner with rulemaking authority to specify the manner in which this information is to be reported.

AA1 to AB 512 also provides an exemption to employers with fewer than 10 employees. Employers who opt to be exempt in a plan year must notify the Commissioner and all enrollees under the employer's group health benefit plan. The Commissioner is required to promulgate rules that specify the information that employers are to provide in the notice to employees and to the Commissioner.

While the impact of this AA1 is uncertain, the potential exists for a large number of employers taking advantage of the ability to opt out of the requirements of s. 632.89(3) Wis. Stat. if their costs increase above 1 or 2%, given the plan year involved. Likewise, an indeterminable number of very small employers would also opt for exemption under the amendment. OCI would experience cost increases on two fronts.

First, OCI would be required to analyze the actuarial determination filed by an employer to ensure its accuracy. OCI does not have position authority for an actuary and would therefore need to contract for actuarial services to ensure the soundness of the report. Such an actuarial contract would cost approximately \$75,000 annually.

Additionally, OCI would need to collect information from employers who elect to be exempt from the requirements of s. 632.89(3) Wis. Stats. as required by AA1. OCI would need to add positions to accomplish this task. It is difficult to determine how many employers will file for exemption, however, given the rulemaking involved with this requirement it is assumed that a minimum of two advanced examiner positions would be necessary to fulfill the obligations required of OCI. The employee cost of 2 Advanced Examiner positions, fringe benefits, supplies and services would cost approximately \$206,000 annually.

Since this fiscal estimate request was submitted to OCI a substitute amendment was introduced by the authors of AB 512 which will reduce OCI's determination of the agency fiscal effect.

The local fiscal effect is indeterminate. OCI does not have information available to make a determination of the number of local governments that may make an exemption election and how much that exemption may affect their costs.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

☐ Original
 ☐ Updated
 ☐ Corrected
 ☒ Supplemental

<b>LRB Number</b> 09a1218/1		<b>Introduction Number</b> AA1-AB512	
<b>Description</b> No "relating to" information exists for this document			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  Workstation, software for 2 agency advanced examiners- \$13,000			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$200,300	\$	
(FTE Position Changes)	(2.0 FTE)		
State Operations - Other Costs	81,100		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$281,400</b>	<b>\$</b>	
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS	281,400		
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	State	Local	
NET CHANGE IN COSTS	\$281,400	\$	
NET CHANGE IN REVENUE	\$	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
OCI/ Jim Guidry (608) 264-6239		Sean Dilweg (608) 266-3585	1/28/2010

## Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

<b>LRB Number</b> <b>09-3406/2</b>	<b>Introduction Number</b> <b>AB-0512</b>	
<b>Description</b> Hhealth insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems		
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect  <input checked="" type="checkbox"/> Indeterminate                      <input type="checkbox"/> Increase Existing Appropriations                      <input type="checkbox"/> Decrease Existing Appropriations                      <input type="checkbox"/> Create New Appropriations                 </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                 </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget                      <input type="checkbox"/> Yes                      <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs                 </div> </div> <b>Local:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs  <input checked="" type="checkbox"/> Indeterminate                      1. <input type="checkbox"/> Increase Costs                      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      2. <input type="checkbox"/> Decrease Costs                      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 33%;">                     3. <input type="checkbox"/> Increase Revenue                      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      4. <input type="checkbox"/> Decrease Revenue                      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 33%;"> <b>5.Types of Local Government Units Affected</b>  <input type="checkbox"/> Towns    <input type="checkbox"/> Village    <input type="checkbox"/> Cities  <input type="checkbox"/> Counties    <input type="checkbox"/> Others  <input type="checkbox"/> School Districts    <input type="checkbox"/> WTCS Districts                 </div> </div>		
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<b>Agency/Prepared By</b> DHS/ Ellen Hadidian (608) 266-8155	<b>Authorized Signature</b> Andy Forsaith (608) 266-7684	<b>Date</b> 10/27/2009

**Fiscal Estimate Narratives**  
**DHS 10/27/2009**

LRB Number	<b>09-3406/2</b>	Introduction Number	<b>AB-0512</b>	Estimate Type	<b>Original</b>
<b>Description</b> Health insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems					

**Assumptions Used in Arriving at Fiscal Estimate**

AB 512 removes the specified minimum amounts of coverage that a group health insurance policy, including policies that cover state employees, must provide for the treatment of mental health and substance abuse (MH/AODA) conditions but retains the requirements with respect to providing coverage. The bill also requires (1) coverage of at least one annual screening for MH/AODA conditions, provided the health plan covers both MH/AODA conditions and at least one annual physical examination; (2) coverage, for females, of at least one screening during pregnancy and one screening within six months of pregnancy for post-partum depression.

In addition, the bill specifies that a plan's deductibles, co-payments, and other treatment limitations may not be more restrictive than treatment limitations that apply to other types of coverage in the plan. The bill also specifies that expenses incurred for the treatment of MH/AODA problems be included in any health care plan's deductible amount or limits. Finally, the bill provides that a health care plan must make available to participants the plan's criteria for determining medical necessity for coverage of a treatment and the reason for any denial of treatment.

**Medicaid – BadgerCare Plus Standard Plan**

In Wisconsin, the Medical Assistance (MA) program for families is known as BadgerCare Plus. Enrollees in BadgerCare Plus are in either the Standard Plan, which includes mental health services, or the Benchmark Plan, which has benefits that are more limited than those provided in the Standard Plan. Approximately 90% of BadgerCare Plus recipients are in the Standard Plan.

Currently mental health expenditures make up about 2% of total MA expenditures under the Standard Plan. There are no payment limits on the amount of MH/AODA services provided to Standard Plan recipients.

Currently, MA covers assessments for MH/AODA problems and treatment for depression, including post-partum depression. As a result, the requirement to offer these assessments is not likely to increase MA costs.

**BadgerCare Plus – Benchmark Plan**

Under s.49.471 (11) (k) of the statutes, MH/AODA services provided under the Benchmark Plan have coverage limits that are the same as those provided under the state employee health plan. If, under this bill, payment limits are removed in the state employee plan, Benchmark Plan MH/AODA benefits limits will also be removed.

It is possible that, under this bill, the costs of MH/AODA services for Benchmark Plan participants will increase if payment limits are removed. Because the population on the Benchmark Plan is relatively small and because MH/AODA services make up such a small percentage of all MA services, any cost increase as a result of this bill is not expected to be significant at this time. If enrollment in the Benchmark Plan grows significantly in the future, however, any cost impact that results from this bill could be more significant.

**Badger Care Plus – Core Plan**

Under a waiver from the federal government, the Department administers the BadgerCare Plus/Core Plan program. BadgerCare Plus/Core Plan provides access to basic health care services to uninsured adults with incomes below 200% of poverty who do not have minor children living at home. One of the conditions of the waiver is that it be cost neutral. Currently no mental health services are provided to Core Plan participants. The bill's mandate does not extend to the Core Plan program so the bill would not require any changes to the program. Even if the bill did apply to the Core Plan and the Plan were expanded to include mental health services and costs increased, since program expenditures cannot exceed the limits set by the budget

neutrality agreement, the Department would have to reduce other services or the Core Plan caseload. At current enrollment levels, it is estimated that it would cost in excess of \$10 million AF to add mental health benefits to the Core Plan. This bill as drafted is not likely to affect the Core Plan program.

### **Community Aids**

Community Aids are state and federal funds distributed by DHS to counties on a calendar year basis to support community social, mental health, developmental disabilities, and substance abuse services. The majority of community aids funds are allocated to counties through the basic county allocation. Counties have discretion in determining which types of services will be provided with funds through the basic county allocation. In addition, Community Aids provides five categorical allocations that must be expended on specified services. Funding provided from the Substance Abuse Prevention and Treatment (SAPT) block grant is distributed through community aids as a categorical allocation. Counties are required to spend these funds on eligible substance abuse services, including primary prevention and early intervention, detoxification, counseling, investigations and assessments, non-hospital inpatient treatment, and community-based alternative living arrangements. Similarly, DHS allocates a categorical Community Aids allocation for community health services, funded from the federal Community Mental Health (CMH) Block Grant. While counties are required to provide matching funds of 9.89% for funding from the basic county allocation, no match is required for the SAPT block grant or CMH block grant categorical allocation. If private payers, through insurance coverage, are required to provide increased coverage, some savings to counties may result, but it is not possible to calculate the magnitude of the possible savings. However, the Department anticipates that any savings realized would be used by the county to provide services to individuals still on waiting lists for social services.

### **MHIs**

The Department administers two mental health institutes (MHIs). The Department sets rates, which are paid by counties for civilly-committed clients, based on the actual costs of providing services (including costs incurred for prescription drugs and diagnostic testing) and the availability of third-party revenues such as Medicare and Medicaid. If private payers, through insurance coverage, are required to provide increased coverage, it may be possible to realize savings for counties. Likewise, state costs for forensic patients at the MHIs could decrease if private payers through insurance coverage are required to provide increased coverage. It is not possible to calculate the magnitude of the possible savings to the counties or the state.

### **Long-Range Fiscal Implications**

## Fiscal Estimate - 2009 Session

☐ Original      ☒ Updated      ☐ Corrected      ☐ Supplemental

<b>LRB Number</b> <b>09-3406/2</b>		<b>Introduction Number</b> <b>AB-0512</b>	
<b>Description</b> Hhealth insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect			
<input checked="" type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"><input type="checkbox"/> Yes      <input type="checkbox"/> No</div>	
		<input type="checkbox"/> Decrease Costs	
<b>Local:</b>			
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<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>		<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>		<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village <input type="checkbox"/> Cities	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DHS/ Ellen Hadidian (608) 266-8155		Andy Forsaith (608) 266-7684	12/18/2009

## Fiscal Estimate Narratives

DHS 12/18/2009

LRB Number	09-3406/2	Introduction Number	AB-0512	Estimate Type	Updated
<b>Description</b> Hhealth insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems					

### Assumptions Used in Arriving at Fiscal Estimate

AB 512 removes the specified minimum amounts of coverage that a group health insurance policy, including policies that cover state employees, must provide for the treatment of mental health and substance abuse (MH/AODA) conditions but retains the requirements with respect to providing coverage. The bill also requires (1) coverage of at least one annual screening for MH/AODA conditions, provided the health plan covers both MH/AODA conditions and at least one annual physical examination; (2) coverage, for females, of at least one screening during pregnancy and one screening within six months of pregnancy for post-partum depression.

In addition, the bill specifies that a plan's deductibles, co-payments, and other treatment limitations may not be more restrictive than treatment limitations that apply to other types of coverage in the plan. The bill also specifies that expenses incurred for the treatment of MH/AODA problems be included in any health care plan's deductible amount or limits. Finally, the bill provides that a health care plan must make available to participants the plan's criteria for determining medical necessity for coverage of a treatment and the reason for any denial of treatment.

#### Medicaid – BadgerCare Plus Standard Plan

In Wisconsin, the Medical Assistance (MA) program for families is known as BadgerCare Plus. Enrollees in BadgerCare Plus are in either the Standard Plan, which includes mental health services, or the Benchmark Plan, which has benefits that are more limited than those provided in the Standard Plan. Approximately 90% of BadgerCare Plus recipients are in the Standard Plan.

Currently mental health expenditures make up about 2% of total MA expenditures under the Standard Plan. There are no payment limits on the amount of MH/AODA services provided to Standard Plan recipients.

Currently, MA covers assessments for MH/AODA problems and treatment for depression, including post-partum depression. As a result, the requirement to offer these assessments is not likely to increase MA costs.

#### BadgerCare Plus – Benchmark Plan

Under s.49.471 (11) (k) of the statutes, MH/AODA services provided under the Benchmark Plan have coverage limits that are the same as those provided under the state employee health plan. Recent federal law changes will affect group health insurance plans for groups of 50 or more, a category that includes the state employee health plan. Federal law requires that the financial requirements and treatment limitations of any MH/AODA benefits offered by these plans can be no more restrictive than those requirements and limitations on the plan's medical or surgical benefits.

ETF has made changes to the state health plan as required by federal law and, therefore, current state law requires the Department to make changes to the Benchmark Plan to bring it into compliance with the new state employee health plan provisions regarding MH/AODA benefits. The provisions of AB 512 will not affect the Benchmark Plan as a result.

#### Badger Care Plus – Core Plan

Under a waiver from the federal government, the Department administers the BadgerCare Plus/Core Plan program. BadgerCare Plus/Core Plan provides access to basic health care services to uninsured adults with incomes below 200% of poverty who do not have minor children living at home. One of the conditions of the waiver is that it be cost neutral. Currently no mental health services are provided to Core Plan participants. The bill's mandate does not extend to the Core Plan program so the bill would not require any changes to the program. Even if the bill did apply to the Core Plan and the Plan were expanded to include mental health

services and costs increased, since program expenditures cannot exceed the limits set by the budget neutrality agreement, the Department would have to reduce other services or the Core Plan caseload. At current enrollment levels, it is estimated that it would cost in excess of \$10 million AF to add mental health benefits to the Core Plan. This bill as drafted is not likely to affect the Core Plan program.

### Community Aids

Community Aids are state and federal funds distributed by DHS to counties on a calendar year basis to support community social, mental health, developmental disabilities, and substance abuse services. The majority of community aids funds are allocated to counties through the basic county allocation. Counties have discretion in determining which types of services will be provided with funds through the basic county allocation. In addition, Community Aids provides five categorical allocations that must be expended on specified services. Funding provided from the Substance Abuse Prevention and Treatment (SAPT) block grant is distributed through community aids as a categorical allocation. Counties are required to spend these funds on eligible substance abuse services, including primary prevention and early intervention, detoxification, counseling, investigations and assessments, non-hospital inpatient treatment, and community-based alternative living arrangements. Similarly, DHS allocates a categorical Community Aids allocation for community health services, funded from the federal Community Mental Health (CMH) Block Grant. While counties are required to provide matching funds of 9.89% for funding from the basic county allocation, no match is required for the SAPT block grant or CMH block grant categorical allocation. If private payers, through insurance coverage, are required to provide increased coverage, some savings to counties may result, but it is not possible to calculate the magnitude of the possible savings. However, the Department anticipates that any savings realized would be used by the county to provide services to individuals still on waiting lists for social services.

### MHIs

The Department administers two mental health institutes (MHIs). The Department sets rates, which are paid by counties for civilly-committed clients, based on the actual costs of providing services (including costs incurred for prescription drugs and diagnostic testing) and the availability of third-party revenues such as Medicare and Medicaid. If private payers, through insurance coverage, are required to provide increased coverage, it may be possible to realize savings for counties. Likewise, state costs for forensic patients at the MHIs could decrease if private payers through insurance coverage are required to provide increased coverage. It is not possible to calculate the magnitude of the possible savings to the counties or the state.

### Long-Range Fiscal Implications

## Fiscal Estimate - 2009 Session

☒ Original      ☐ Updated      ☐ Corrected      ☐ Supplemental

<b>LRB Number</b> <b>09-3406/2</b>		<b>Introduction Number</b> <b>AB-0512</b>	
<b>Description</b> Hhealth insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input checked="" type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"><input type="checkbox"/> Yes      <input type="checkbox"/> No</div>	
		<input type="checkbox"/> Decrease Costs	
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs			
<input checked="" type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>		<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>		<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>	
5. Types of Local Government Units Affected			
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<input checked="" type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b>			
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	
DOC/ Dawn Woeshnick (608) 240-5417		Robert Margolies (608) 240-5056	
		<b>Date</b>	
		10/27/2009	

## Fiscal Estimate Narratives

DOC 10/27/2009

LRB Number	09-3406/2	Introduction Number	AB-0512	Estimate Type	Original
<b>Description</b>					
Hhealth insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems					

### Assumptions Used in Arriving at Fiscal Estimate

This bill makes a number of changes to health insurance coverage of nervous and mental health disorders, alcoholism, and other drug abuse problems including removing specified minimum amounts of coverage.

This bill would have no fiscal impact on the Department of Corrections. Counties who pursue payments from parents' or guardians' health insurance providers for services provided to youth in county secure juvenile detention facilities may be affected by this bill, but it is not possible to determine what the fiscal impact will be to counties.

### Long-Range Fiscal Implications

## Fiscal Estimate - 2009 Session

☒ Original      ☐ Updated      ☐ Corrected      ☐ Supplemental

<b>LRB Number</b> <b>09-3406/2</b>	<b>Introduction Number</b> <b>AB-0512</b>	
<b>Description</b> Hhealth insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems		
<b>Fiscal Effect</b>		
<b>State:</b>		
<input checked="" type="checkbox"/> No State Fiscal Effect		
<input type="checkbox"/> Indeterminate		
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<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <div style="display: flex; justify-content: space-around;"><input type="checkbox"/> Yes      <input type="checkbox"/> No</div>	
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<b>Local:</b>		
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<input checked="" type="checkbox"/> Indeterminate		
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<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>	<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>	<div style="display: flex; justify-content: space-between;"><input type="checkbox"/> Permissive   <input type="checkbox"/> Mandatory</div>	
<b>5. Types of Local Government Units Affected</b>		
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<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Affected Ch. 20 Appropriations</b>		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
DPI/ Michael Bormett (608) 266-2804	Michael Bormett (608) 266-2804	10/23/2009

## Fiscal Estimate Narratives

DPI 10/23/2009

LRB Number	09-3406/2	Introduction Number	AB-0512	Estimate Type	Original
<b>Description</b>					
Hhealth insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems					

### Assumptions Used in Arriving at Fiscal Estimate

This bill makes changes to health insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems. Self-insured plans of school districts would be affected by several of the bill's provisions.

State Fiscal Effect: None.

Local Fiscal Effect: The department estimates that approximately 10% of the state's 426 school districts are self-insured for health care. These districts could incur costs as a result of the coverage changes proposed under the bill, but the department does not have the information to estimate the fiscal effect on those local self-insured plans. Therefore the local fiscal effect is indeterminate.

### Long-Range Fiscal Implications

## Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

<b>LRB Number</b> <b>09-3406/2</b>	<b>Introduction Number</b> <b>AB-0512</b>
<b>Description</b> Hhealth insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems	
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect  <input checked="" type="checkbox"/> Indeterminate  <div style="margin-left: 20px;"> <input type="checkbox"/> Increase Existing Appropriations  <input type="checkbox"/> Decrease Existing Appropriations  <input type="checkbox"/> Create New Appropriations                             </div> </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                             </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget  <div style="margin-left: 20px;"> <input type="checkbox"/> Yes      <input type="checkbox"/> No                             </div> <input type="checkbox"/> Decrease Costs                         </div> </div> <b>Local:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs  <input checked="" type="checkbox"/> Indeterminate  <div style="margin-left: 20px;"> <div style="display: flex; justify-content: space-between;"> <div>                         1. <input type="checkbox"/> Increase Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                             </div> <div>                         2. <input type="checkbox"/> Decrease Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                             </div> </div> </div> </div> <div style="width: 33%;"> <div style="margin-left: 20px;"> <div style="display: flex; justify-content: space-between;"> <div>                         3. <input type="checkbox"/> Increase Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                             </div> <div>                         4. <input type="checkbox"/> Decrease Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                             </div> </div> </div> </div> <div style="width: 33%;"> <b>5.Types of Local Government Units Affected</b>  <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns  <input type="checkbox"/> Counties  <input type="checkbox"/> School Districts                             </div> <div style="width: 33%;"> <input type="checkbox"/> Village  <input type="checkbox"/> Others  <input type="checkbox"/> WTCS Districts                             </div> <div style="width: 33%;"> <input type="checkbox"/> Cities                             </div> </div> </div> </div>	
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<b>Agency/Prepared By</b> ETF/ Jon Kranz (608) 267-0908	<b>Authorized Signature</b> Bob Conlin (608) 261-7940
<b>Date</b> 10/27/2009	

## Fiscal Estimate Narratives

ETF 10/27/2009

LRB Number	09-3406/2	Introduction Number	AB-0512	Estimate Type	Original
<b>Description</b>					
Hhealth insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems					

### Assumptions Used in Arriving at Fiscal Estimate

This bill removes the minimum statutory requirements for in-patient, out-patient and transitional care and establishes requirements for annual mental health screenings and makes coverage under the group insurance board's health insurance program subject to S.632.89, stats. This bill will have fiscal impact to the extent that it results in increased costs for state and local health insurance plans administered by the Group Insurance Board

According to the Group Insurance Board' s consulting actuary, the cost of this bill associated with the state group health insurance plan ranges from \$1.6 to \$2.4 million annually (\$0.88 to \$1.32 per member per month (PMPM) x 12 months x 155,000 covered active members in the state plan). The cost associated with the local employee health insurance plan ranges from \$0.3 million to \$0.4 million (\$0.88 to \$1.32 PMPM x 12 months x 28,000 covered active members in the local plan.

The estimate assumes:

1. Elimination of the Federal Mental Health parity "cost increase exception". Under the Federal Mental Health Parity a group health plan is exempt from the mental health parity rules if the cost of coverage increases by two percent in the first year and one percent in the following years. We have not yet measured the impact of Federal parity, but the Department of Employee Trust Funds would lose its ability to qualify for this potential exemption.
2. The bill will require coverage of at least one screening for prepartum depression and one for postpartum depression. Females covered under the plan are allowed at least one screening during a pregnancy for pre-partum depression and at least one screening within six months after a live birth, stillbirth, or miscarriage for post-partum depression to determine the need for treatment. Although this screening is often provided in the normal course of pregnancy treatment, we anticipate an increase in utilization of approximately 3 to 6 services per 1,000 individuals (0.3-0.6%) at a cost of \$35 per screening. This equates to a cost of \$0.01-0.02 PMPM.
3. The bill will require coverage of at least one annual screening for treatment of mental health and substance abuse problems. This item will have a larger impact on the ETF plan. Currently, approximately 20% of ETF members receive a physical exam in any given year. Based on Kaiser surveys, approximately 33% of the adult Wisconsin population report poor mental health. The ETF plan will likely see a significant increase in utilization of behavioral health, substance abuse, and mental health screenings as this becomes a required benefit and provider practice patterns change. We assume a utilization rate of approximately 80 to 120 services per 1,000 individuals (8-12%) at a cost of \$130 per screening. This equates to a cost of \$.87 to \$1.30 PMPM.

### Long-Range Fiscal Implications

## Fiscal Estimate - 2009 Session

 Original  Updated  Corrected  Supplemental

LRB Number <b>09-3406/2</b>		Introduction Number <b>AB-0512</b>	
<b>Description</b> Health insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems			
<b>Fiscal Effect</b>  <b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs			
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue      5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b> OCI/ Jim Guidry (608) 264-6239		<b>Authorized Signature</b> Sean Dilweg (608) 266-3585	
		<b>Date</b> 10/23/2009	

## Fiscal Estimate Narratives

OCI 10/23/2009

LRB Number	<b>09-3406/2</b>	Introduction Number	<b>AB-0512</b>	Estimate Type	<b>Original</b>
<b>Description</b>					
Hhealth insurance coverage of nervous and mental disorders, alcoholism, and other drug abuse problems					

### Assumptions Used in Arriving at Fiscal Estimate

The Office of Commissioner of Insurance (OCI) ensures compliance with Wisconsin's laws and regulations, and responds to complaints. Ensuring that insurers comply with the requirements of this bill will be fulfilled as part of the standard activities of the office. Any additional cost will be absorbed by OCI.

In accordance with s. 601.423, Wis Stats., OCI will prepare the mandated study on the fiscal and social impacts of new mandated insurance benefits.

The fiscal effect on local Governments is indeterminate. Mental Health and AODA coverage is currently mandated under Wisconsin law, however OCI does not collect information that would indicate the self-funded costs of mental health coverage currently experienced by local governments or what the anticipated increase in those costs would be. The report required under s. 601.423, Wis. Stat. should provide information related to the expected costs that would be useful in determining local government costs.

### Long-Range Fiscal Implications